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**37 CFR 1.7(c) FILING RECEIPT AND  
TRANSMITTAL LETTER WITH  
AUTHORIZATION TO CHARGE DEPOSIT ACCOUNT**



Neifeld Docket No.: CAT/34-SCRO-CCP

Client Ref.: CAT/34-SCRO-CCP

US/PCT Application/Patent No.: 09/505,632

US/PCT File/Issue Date: 2/16/2000

Priority Data: 08/873,974, filed 6/12/1997

USPTO Confirmation No.: 5917

Inventor: Scroggie et al.

Title: System and Method for Distributing Information Through Cooperative Communication Network Sites

**THE FOLLOWING HAS BEEN RECEIVED IN THE U.S. PATENT OFFICE ON  
THE DATE STAMPED HEREON:**

Check for \$180.00

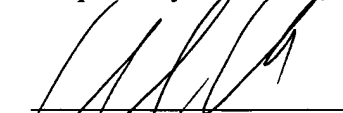
37 CFR 1.7(c) Filing Receipt and Transmittal Letter With Authorization to Charge Deposit Account (1 Page, In Duplictae)

37 CFR 1.181 Petition (8 Pages)

The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account Number 50-2106. A duplicate copy of this sheet is enclosed.

Respectfully Submitted,

5/15/06  
DATE

  
Richard A. Neifeld  
Registration No. 35,299  
Attorney of Record

	PcLaw Matter	Lawyer	Amount	Explanation	Date Entered	Initials
Fees:	CAT/34-SCRO	RAN	\$300.00	CAT/34-SCRO-CCP firm charge for paying government fee for filing a petition.	5/12/06	RLB
Fees:						
Disbursements:	PcLaw Matter	G/L Account	Amount	Explanation	Date Entered	Initials
	CAT/34-SCRO	5010	\$180.00	CAT/34-SCRO-CCP gov. fee for filing a petition.	5/12/06	RLB

Printed: September 30, 2005 (1:31pm)

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NEIFELD DOCKET NO: CAT/34-SCRO-CCP



IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE APPLICATION OF: Scroggie et al

USPTO CONFIRMATION CODE: 5917

APPLICATION NO: 09/505,632

FILED: 2/16/2000

EXAMINER: Akiba Robinson

GROUP ART UNIT: 3639

FOR: System and Method For Distributing Information Through Cooperative Communication  
Network Sites

ASSISTANT COMMISSIONER FOR PATENTS

ALEXANDRIA, VA 22313

37 CFR 1.181 PETITION

Sir:

As a result of the non-final office action mailed March 20, 2006, please grant this  
petition.

05/17/2006 SZEWDIE1 00000132 09505632

01 FC:1464

130.00 OP

Repln. Ref: 05/17/2006 SZEWDIE1 0014121300  
DAH:502106 Name/Number:09505632  
FC: 9204 \$50.00 CR

**I. Statement of Relief Requested**

The applicant requests that the Director expunge the office action mailed March 20, 2006, order the examiner to enter a reply brief in response to the applicant's appeal brief, and **preclude the examiner from yet again withdrawing the appeal.**

**II. Material facts in Support of the Petition**

1. On 10/27/2003, the BPAI entered a decision on appeal of the rejections of claims 29-32, 34, 36-43, 46, 48, and 49 in this application.
2. The art applied by the examiner and identified in the October 27, 2003 BPAI decision was Smolen, USP 5,915,243; Sloane USP 5,918,211; and Hoffman USP 6,012,039.
3. The rejections on appeal were 24, 25, 27, 29, 36, 37, 39, 41, 48, and 49 under 103 based upon Sloane and Hoffman, 26, 30, 31, 38, 42, and 43 under 103 based upon Sloane and Hoffman and further in view of Smolen.
4. That decision sustained the 102 rejections of claims 34 and 46, reversed the 102 rejections of claims 28 and 40, and reversed all 103 rejections of claims 24-27, 29-32, 36-39, 41-43, 48, and 49 under 103.
5. On 12/8/2003, the applicants filed an amendment in response to the decision adding claims 50 and 51 and canceling claims 34 and 46. New claims 50 and 51 mirrored language in the BPAI decision describing the those features of the applicant's invention that distinguished over the applied prior art.
6. On 4/7/2004, the USPTO mailed an office action in which the examiner rejected all pending claims. The examiner rejected claims 50 and 51 under 35 USC 112. The examiner rejected claims 28, 40, 50, and 51 under 102(e) based upon Sloane. The examiner rejected claims 24, 36, 48, and 49 under 103 based upon Sloane and Hoffman. The examiner rejected claims 26, 30, 31, 38, 42, and 43 under 103 based upon Sloane, Hoffman, and Smolen. The examiner made that office action "final".
7. On 6/10/2004, the applicant petitioned to have the examiner withdraw the office action and remove the "final" status. The basis for the petition was the res judicata effect of the BPAI decision and the procedural impropriety of a first office action "final" status.
8. On 6/2/2004, the applicant filed inter alia an appeal brief and 37 CFR 1.111 amendment.

The 37 CFR 1.111 amendment consisted of correction of editorial errors in new claims 50 and 51. Specifically, the amendment revised "the a" to "the" in claim 50 and revised "mean for transmitting" to "means for transmitting" and "the a" to "a" in claim 51.

9. On 8/6/2004, the USPTO mailed an advisory action advising that the proposed amendments to claims 50 and 51 would not be entered for purposes of appeal.

10. On 10/21/2004, the USPTO responded to the 6/2/2004 appeal brief by mailing an office action, instead of an examiner's answer.

11. The 10/21/2004 office action is marked "non-final". The office action rejected claims 50 and 51 under 35 USC 112. The office action rejected claims 24, 25, 26, 28, 30, 36, 37, 38, 40, 42, 48, 49, 50, and 51 under 102(e) based upon Perkowski USP 5,950,173. The office action rejected claims 27 and 39 under 103 based upon Perkowski. The office action rejected claims 29 and 41 under 103 based upon Perkowski in view of Sloane. The office action rejected claims 31 and 43 under 103 based upon Perkowski in view of Smolen.

12. Basically, the 10/21/2004 office action replaced Sloane with Perkowski as the primary reference.

13. On 3/21/2005, the applicants responded to the 10/21/2004 office action by filing another appeal brief, and on 5/18/2005, the applicants filed a supplemental appeal brief.

14. On 7/27/2005, the USPTO responded to the 5/18/2005 appeal brief by mailing a paper styled as an office action, instead of an examiner's answer. It contains 112 rejections of claims 50 and 51. However it also contains new 112, second paragraph rejections of claims 24-27, 36-39, and 48; claims previously adjudicated in the BPAI decision. It also contains rejections under 103 based primarily upon Perkowski, relying secondarily upon Sloane and Smolen.

15. On 12/23/2005, the applicants responded to the paper the USPTO mailed 7/27/2005 with yet another appeal brief (third brief after successful appeal). The 12/23/2005 brief is titled a 37 CFR 41.41(b)(2) reply brief because the "office action" mailed 7/27/2005 rightfully should have been entitled an examiner's answer.

16. Believe it or not, on 3/20/2006, the USPTO responded with yet another paper styled an office action. This office action rejects claims under 103 based upon Jovicic as a primary reference, not Perkowski. For some of the claims, it applies as secondary references Perkowski

and Smolen.

17. In several other cases in which I represent clients in the business method area, the USPTO has reopened prosecution after appeal, in some cases multiple times. For example: 09/716,404; 09/478,351; 09/756,787; 09/756,788; and 09/828,122.

### **III. Reasons Why the Relief Requested Should be Granted**

#### **A. Background**

The USPTO is bottling up cases in the business methods patents area in the examining corps. My anecdotal experiences are statistically significant. I represent on many business method patents, and I see a pattern of improper rejections, unnecessary appeal, and, more importantly, a pattern of withdrawal of appeals that prevents final adjudication of claims. My belief is that this USPTO activity is a direct result of political bias against business method patents, and the resulting pressure on the USPTO to only allow "valid" patents. However, cause of the USPTO activity I address is not the specific issue in this case.

Repeated withdrawal of appeals is unfair because it runs out the clock on patent term, in addition to running up prosecution costs. Just as importantly, it prevents final adjudication of rejections.

There is a good public policy reason for finality, res judicata in all its forms. That applies to the USPTO proceedings as well as any other, as exemplified with respect to patent interference:

It is therefore proper, and consistent with the policies of finality and repose embodied in the doctrines of res judicata and collateral estoppel, to use that judgment as a basis for rejection of claims to the same patentable invention. [In re Deckler, 977 F.2d 1449, 1452, 24 USPQ2d 1448, 1450 (Fed. Cir. 1992); interpolation supplied.]

Res judicata has three aspects; issue preclusion, claim preclusion, and law of the case.

#### **Res Judicata**

## **Claim preclusion**

In its simplest construct, res judicata precludes the relitigation of a claim, or cause of action, or any possible defense to the cause of action which is ended by a judgment of the court. See Restatement (Second) of Judgments, § § 18, 19 (1982). This aspect of res judicata, known in modern parlance as "claim preclusion", applies whether the judgment of the court is rendered after trial and imposed by the court or the judgment is entered upon the consent of the parties. See, e.g., Lawlor v. National Screen Serv. Corp., 349 U.S. 322, 327 (1955); Kaspar Wire Works, Inc. v. Leco Eng'g and Mach., Inc., 575 F.2d 530, 538-39, 198 USPQ 513, 518-19 (5th Cir. 1978); 18 C. Wright, A. Miller, and E. Cooper, Federal Practice and Procedure, § 4443 at 385 (1981) (consent judgments ordinarily support claim preclusion but not issue preclusion). [Foster v. Hallco Manufacturing Co. Inc., \_\_\_ F.3d \_\_\_, \_\_\_, 20 USPQ2d 1241, 1246 (Fed. Cir. 1991).]

## **Issue preclusion**

Issue Preclusion: Litigated Issues

Section 27 of the Restatement states the general rule of issue preclusion:

When an issue of fact or law is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, the determination is conclusive in a subsequent action between the parties, whether on the same or a different claim.

## **Law of the case doctrine**

The law of the case is a doctrine that provides that "when a court decides upon a rule of law, that decision should continue to govern the same issues in subsequent stages in the same case." Arizona v. California, 460 U.S. 605, 618, 75 L. Ed. 2d 318, 103 S. Ct. 1382 (1983). "The doctrine prevents the relitigation of settled issues in a case, thus protecting the settled expectations of parties, ensuring uniformity of decisions, and promoting judicial efficiency." Little Earth of the

United Tribes, Inc. v. United States Dep't of Housing & Urban Dev., 807 F.2d 1433, 1441 (8th Cir. 1986)("Little Earth"). [Morris v. American Nat'l Can Corp., 988 F.2d 50, 52, \*; 1993 U.S. App. LEXIS 3419, \*\*; 61 Fair Empl. Prac. Cas. (BNA) 343; 61 Empl. Prac. Dec. (CCH) P42,078]

Whether issue preclusion or law of the case, the BPAI panel decision indicated that the claims adjudicated were clear and definite. Accordingly, indefiniteness rejections of those claims are barred.

In addition, an applicant has a recognized right to due process in examination of his application. Brooks v. Street, 16 USPQ2d 1374, 1377 (PTOBPAI 1990). What is that process? It is the process laid down by statute and 37 CFR rule, and as per the examining corps, the MPEP. That process has repeatedly been violated in this application.

The examiner is not allowed to repeat rejections reversed by a BPAI panel decision. The examiner did that in this case.

The examiner is not authorized to make a first action final. The examiner did that in this case.

The examiner is not authorized to refuse entry of an editorial amendment after applying "final" status to an application, for purposes of appeal. The examiner did that in this case.

The examiner is not entitled to ***repeatedly and unnecessarily*** withdraw an appeal. In this case, the examiner has repeatedly and unnecessarily withdrawn appeals. In fact, arguably, the examiner is not entitled to withdraw an appeal under precedential BPAI case law.

Rule 37 CFR 1.193(b) expressly precluded the examiner from entering a new ground of rejection in an examiner's answer, and 37 CFR 1.193(b)(2) expressly authorized the examiner to reopen prosecution in response to an appeal brief or a reply brief.

In fact, 1.193 conflicted with Ex parte Lemoine, 46 USPQ2d 1420, \_\_\_\_ (PTOBPAI 1994)(precedential decision of an expanded panel including APJ Schafer, APJ Meister, SAPJ McKelvey, and CAPJ Stoner), which holds that:

Considering these sections together, we conclude that "claims" as used in §134 is

a reference to the repeated "claim for a patent" as used in §132 rather than a reference to a particular claim "of an application." Under our interpretation, so long as the applicant has twice been denied a patent, an appeal may be filed. So construing the statute, we conclude that applicant's claims for a patent have been twice rejected. Applicant has been denied a patent three times. Applicant, therefore, had the right to appeal and we, accordingly, have jurisdiction. [].

Certainly jurisdiction over the file remains with the corps until the file is submitted to the Board. However, jurisdiction over an appeal, by the holding of Lemoine, passes to the BPAI when an applicant appeals. Hence, the applicant has a right to an appeal, and for the appeal to be decided by the BPAI, once it is filed.

Rule 1.193 was removed in favor of rule 41.39. Rule 41.39, instead, reversed the procedure in order to expedite decisions on the merits. Rule 41.39 authorizes a new ground of rejection in an answer, and does not expressly authorize the examiner to reopen prosecution after an appeal is filed. As to the USPTO's intent in withdrawing rule 1.193(b), that is addressed in the Notice of Proposed rule Making at 68 FR 66653. There, the USPTO certainly contemplates an examiner reopening prosecution after an applicant files an appeal brief. However, the USPTO's intent appears to be inconsistent with Lemoine and the doctrines promoting finality and repose. In any case, the USPTO changed the rules eliminating the examiner's express right to reopen prosecution thereby withdrawing an appeal. That reservation of 37 CFR 1.193 is consistent with Lemoine.

Moreover, and more importantly, neither res judicata, Notice of Proposed rule Making at 68 FR 66653, nor old rule 1.193 contemplated repeated reopenings of prosecution - - repeated withdrawal of appeals. Those precedents certainly did not contemplate repeated reopening of prosecution as a vehicle to systemically bias against allowance applications in one field of endeavor. That is occurring here, in this case in specific, and in the business methods patent applications area generally.

One successful appeal should be enough to entitle the applicant to a patent.

Since the successful appeal, I have had to file three additional appeal briefs. The



examining corps has responded with four office action, each one reopening prosecution. Each one unnecessary, and each one inconsistent with the requirements that the first office action in an application raise and dispose of all issues for examination. MPEP 707.07.

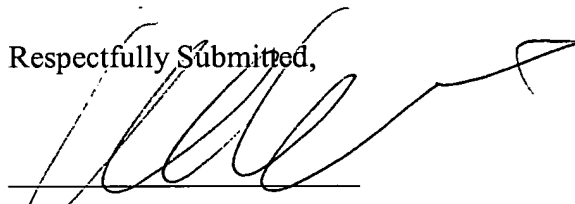
In this case and others in the business methods area, I am tired at shooting a revolving target. The repeated withdrawal of appeals benefits no one, including the corps.

#### IV. Summary

The USPTO is acting procedurally unfairly and arbitrarily in this application by preventing adjudication to finality of the claims presented by the applicant. Those actions are tantamount to a denial of due process, and are arbitrary within the meaning of the administrative procedures act. Accordingly, the most recent office action should be withdrawn, and the prior appeal brief reinstated, and the examiner required to file an answer to that brief. At a minimum, (since unfortunately I will most likely have had to prepare and file another appeal brief prior to when this petition is decided), the Director should instruct the examiners and their supervisors to not again reopen prosecution in this case, as well as a general instruction to refrain from such activity in other cases.

5/10/06  
DATE

Respectfully Submitted,



Richard A. Neifeld

Attorney of Record

Registration No. 35,299

DHS/RAN

Printed: May 10, 2006

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